

March 30, 2021

FOR YOUR INFORMATION

To: Mayor and Members of City Council

From: Paula Boggs Muething, City Manager



Subject: Oasis Trail Agreement

On March 29, 2021, the City and its public partners executed a binding term sheet with the Indiana & Ohio Railway (the “IORY”) that clears the way for development of the long-sought-after Oasis Trail portion of the Ohio River Trail. The Oasis Trail will be a five-mile rails-to-trails recreational path that links downtown Cincinnati to a network of other regional bike trails including the planned 34-mile off-street trail loop in Cincinnati known as CROWN that includes Wasson Way and extends all the way to the Little Miami Scenic Trail.

Background

The Southwest Ohio Regional Transit Authority (“SORTA”) owns the Oasis line property and leases it to IORY for freight operations. The double track line consists of northern and southern tracks, but only the southern track is currently used for freight operation (infrequently, and only at night). The City has been working together with SORTA, Great Parks, and the non-profit Ohio River Way (now a part of “CROWN”) to negotiate terms by which IORY would agree to allow the northern track to be converted into a paved multi-use recreational path.

The parties had been at a negotiation impasse for much of the past five years despite efforts by the public parties to advance the project. In late 2019, the Mayor met face-to-face with IORY executives to discuss the impasse, which led to a commitment to resume negotiations. IORY and the City over the following twelve months worked through key issues surrounding indemnity, insurance, track safety, and purchase price. The pandemic slowed matters, but in recent months the parties came to final agreement on the framework for making this project a reality. The culmination of this effort is the binding term sheet signed by the railroad and the public parties.

The parties agreed that the City and SORTA, in cooperation with IORY and Great Parks, are to design and construct a multi-use paved trail along the unused Northern Track extending from Carrell Street near Lunken Airport to the Montgomery Inn Boathouse in

downtown Cincinnati. SORTA will lease the trail to be maintained and operated as part of the Great Parks network of shared-use, paved trails. CROWN will, with others, undertake to raise money to assist in funding the trail and donate said money to the public parties for construction of the trail.

The public parties agree to procure liability insurance policy to address IORY's risks for liability arising from the construction and operation of the trail, which policy will incorporate a \$5 million self-insurance retention to be funded by the public parties. Great Parks will contribute additional insurance coverage as operator of the trail. IORY will receive a one-time \$3 million payment for SORTA to acquire the IORY easement and remaining property interests in the Northern Track, which price shall be reduced by up to \$350,000 for costs of a chain-link fence or other barrier along the length of the Trail requested by IORY.

There are a number of steps remaining prior to construction, including federal regulatory approvals. In seeking required approvals, IORY and the public parties have agreed to a mutual cooperation clause in support of the development of the Oasis Trail. The term sheet provides the parties up to two years to seek regulatory approvals, draft and execute implementing legal agreements, and for the public parties to raise necessary funds. It is the Administration's intent, however, to move quickly so that the Oasis Trail can commence construction at the earliest opportunity.